

RESOLUTION.—The proposals in para. 3 of the Revenue Commissioner's letter are sanctioned under the conditions proposed in para. 4.

2. The Collector should resume at once any land required now or prospectively for Government purposes, and the rest may be sold, the municipality receiving the purchase-money and the assessment being reserved to Government. The services of Mr. Jordan, Sub-Assistant Superintendent in the Gujrat Survey, should be placed temporarily at the disposal of the Collector and of the Municipality of Ahmedabad to carry out the proposed survey.

Ordered that copies of the above be forwarded to—

The REVENUE COMMISSIONER, N.D.

The GENERAL DEPARTMENT of the SECRETARIAT.

(Signed) A. D. ROBERTSON,
Chief Secretary to Government.

No 1441.

EXTRACT from the Proceedings of the Government of India, Home Department.

Under date Simla, the 17th June 1867.

Read office memorandum from the Financial Department, No. 2083, dated the 17th of April, forwarding, with its enclosures, for an expression of opinion, a letter from the Government of Bombay, No. 4405, dated the 27th of November, relative to the participation of the Municipality of Ahmedabad in the assessment on lands within the city walls, and requesting confirmation of the orders of that Government ceding to the municipality the sale proceeds of the right of occupancy of land situated within the municipal limits.

Remarks.—The facts appear to be briefly these :—

(1.) Within the City of Ahmedabad is a large extent of open land, some cultivated and some valuable at present as building land.

(2.) Some of this land is clearly the property of Government, has always been known to be such, and been dealt with accordingly; some also is unquestionably private property, under various tenures, but a large proportion is of doubtful nature, to which Government has probably a claim; but this portion is in the occupancy of persons who have squatted or have fraudulently acquired possession, or who hold on equally bad titles.

By Resolution No. 3044, dated 9th September 1863, the Bombay Government sanctioned the sale of the right of occupancy in Government waste land within the city walls, and the grant of the sale proceeds to the municipality, "the right of Government being confined to the levy of assessment."

A subsequent Resolution No. 3963, dated 10th November 1863, sanctioned certain proposals of the Collector. These were, so far as the present case is concerned, as follows:—

(1.) Government unoccupied land, if required for cultivation only, was to be let to any one applying for it at Rs. 7 per acre per annum. Clearly the right of occupancy in land already cultivated, or wanted for cultivation was not to be sold.

(2.) Government land, whether waste or cultivated, required for building purposes, was to be assessed at one rupee per 100 square yards (about Rs. 48 per acre),* which appears to have been the existing rate, in addition to a payment for the right of occupancy. This payment has hitherto varied from one rupee eight annas to three rupees per square yard, and the Collector, holding that the real annual rent was composed of the ground rent, and the interest on the purchase-money of the right of occupancy, shows in his 18th para. the amount of this real rent annually per acre and per square yard, at the various rates of purchase, beginning, however, at one rupee per square yard—a sum less than any land previously sold had fetched.

The calculation shows that the annual assessment upon a square yard of land assessed to Government at one rupee per 100 square yards (or two pie per square yard nearly), and the right of occupancy in which is valued at one rupee per yard, should be eleven and half pie per yard; when the value was three rupees the assessment should be two annas seven pie.

The Collector then assumed that one anna per square yard would be a high average rate of annual rent all round, and of this one anna Government of course retained its two pie, while the other ten pie, representing the interest on the value of the occupancy right, belonged to the municipality under the Government grant above mentioned.

But the Collector (end of para. 20) did not mean to retain the annual assessment of one anna, for he distinctly proposes to sell the occupancy right by auction (that is, to redeem by one payment the ten pie share of assessment due to the municipality), putting it up at an upset price determined by the amount of principal represented by the said ten pie per square yard per annum, and

the proceeds of the sale were to go to the municipality, while Government continued to levy its two pie annually.

The Collector's elaborate calculations of annual assessment ending with such a simple result as an average upset price led the Bombay Government to express the opinion (para. 3 of letter No. 3946, dated 30th of October 1866) that "the total rent recoverable from the occupant was fixed at one anna per square yard per annum, of which two pie represented the imperial land revenue, and ten pie the interest on the value of the occupancy, which was levied for the benefit of the municipality;" and the Government had, of course, sanctioned this mode of realization of the value of the right of occupancy in their second resolution above mentioned, for they understood evidently that the Collector proposed and the Commissioner approved it.

The point to be considered is, therefore, the propriety of ceding to a municipality the value of the right of occupancy in Government land required for building on.

Such a cession, the Governor General in Council is of opinion, cannot be justified; and His Excellency in Council is not aware that Government has, in any case except that of Kurrachee, mentioned in the correspondence, granted to municipalities any interest in land paying rent to Government within their limits. In the present case the Bombay Government concedes, as a principle, that the value of the occupancy being derived from the fact of its situation in a large and populous town, those who were responsible for the theoretical advantages of the site being practically secured, viz., the Municipal Commissioners, were entitled to take credit for it.

But the Governor General in Council considers that this is much too wide a statement.

The plain rule is that the Government should contribute on its property within municipal limits in the same proportion according to value as other proprietors. More than this Government cannot fairly be expected to do except in the case of cities or towns, the welfare of which is an important consideration to the empire at large, and this may perhaps be said of Kurrachee, but not, His Excellency in Council thinks, with any reason, of Ahmedabad.

And the Government of India is, in the present case, asked to confirm a grant of unknown value, for it has no information whatever as to the extent of Government land, of which the occupancy sale proceeds have been, or are to be, given away.

Under these circumstances, the Governor General in Council considers that the Government of Bombay should be informed that the municipality is at liberty to assess Government property in the

same manner as other real property within the city; but if there is no Municipal Tax on such property, the municipal funds being raised by an octroi, or similar tax, then there is no objection to an assessment being laid on the Government occupied land within the city bearing some proportion to the value of the land according to its rental. This the Governor General in Council conceives may very justly be done, for Government profits greatly by its land being taken up for building purposes, the rent rising from 7 rupees to 48 rupees per acre, but to ask it to give away five times the amount of its own rental (10 pie in the anna) is too much. If, indeed, it could be shown that Ahmedabad was of imperial or even of provincial importance, and that its sanitary arrangements, roads, &c., could not, from the want of local funds, be placed in the state required by its importance, then Government might, in an extreme case, give such further aid as should appear absolutely necessary, and perhaps in the manner sanctioned by the Bombay Government.

The following points also seem to the Governor General in Council, in this department, to require notice :—

(1.) Is the right of occupancy, where sales have taken place, sold in perpetuity, or for 99 years only, the period of the leases ?

(2.) The Bombay Government has given to the municipality a share in the "similar" assessment on alienated land proportionate to the 10 pie share on unalienated land. By what right, it is enquired, does the Government appropriate the right of occupancy value of alienated lands ?

Lastly.—If it is thought right in the Financial Department to confirm the cession to the municipality of the value of occupancy right in Government land, this value ought to be paid for by a cash payment at once, and not left for realization by an annual assessment, as it is considered that the regular and permanent realization of the Government rent of 2 pie per square yard is endangered by the grant to another party of an annual assessment of five times that amount.

Ordered that a copy of the above remarks be forwarded to the Financial Department, in reply to office memorandum thence, No. 2083, dated the 17th of April.

(True Extract)

(Signed) E. C. BAYLEY,

Secretary to the Government of India.